

**USDA  
NASS  
Minnesota Field  
Office**

E-mail: [nass-mn@nass.usda.gov](mailto:nass-mn@nass.usda.gov)  
<http://www.nass.usda.gov/mn/>

# Agri-View

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USDA, NASS  
Minnesota Field Office  
8 E. 4<sup>th</sup> St. Suite 500  
St. Paul, MN 55101  
Phone (651) 296-2230  
in cooperation with the  
Minnesota Department  
of Agriculture

**ALL FARM  
PRODUCTS INDEX  
DOWN 3 POINTS**

The September All Farm index for Minnesota was down 3 points from August.

The Crops index for September was down 10 points from August. Prices received by farmers for soybeans for September averaged \$5.40 per bushel, a decrease of 71 cents from the August price. Corn decreased 16 cents from August to a September price of \$1.66 per bushel.

The Meat Animal index decreased 5 points from last month. The all hog price for September was \$48.40 per cwt., a decrease of \$3.80 from the August price. The all beef cattle price for September was \$75.60, an increase of \$1.60 from the August price.

The Dairy Products index was up 6 points from last month. The all milk price for September at \$15.40 per cwt., was up 50 cents from August.

**AVERAGE PRICES RECEIVED BY FARMERS**

Commodity And Unit	U.S. Sep 2005 1/	-----Minnesota-----		
		Sep 2004 2/	Aug 2005 2/	Sep 2005 1/
Barley, Feed & Malting, bu 3/	2.60	1.64	3/	2.18
Beans, Dry Edible, All, cwt	20.20	23.40	3/	3/
Kidney, cwt	4/	3/	3/	3/
Navy, cwt	4/	3/	3/	3/
Pinto, cwt	4/	3/	3/	3/
Corn, bu	1.73	2.17	1.82	1.66
Hay, All, Baled, ton	99.00	68.00	62.00	61.00
Alfalfa, Baled, ton	107.00	76.00	72.00	68.00
Other, Baled, ton	74.60	51.00	48.00	46.00
Oats, bu	1.54	1.33	1.40	1.42
Potatoes, cwt	6.40	6.15	9.25	7.50
Soybeans, bu	5.41	6.00	6.11	5.40
Sunflowers, All, cwt 3/	13.90	13.80	3/	3/
Wheat, All, bu	3.34	3.29	3.20	3.30
Calves, cwt	133.00	119.00	130.00	136.00
Cattle, All Beef, cwt 5/	87.50	75.50	74.00	75.60
Cows, cwt, 6/	50.40	56.10	52.90	52.50
Steers & Heifers, cwt	91.30	80.70	78.00	80.00
Milk Cows, head 7/	--	--	--	--
Hogs, All, cwt	48.80	54.00	52.20	48.40
Barrows & Gilts, cwt	49.20	54.10	52.30	48.50
Sows, cwt	38.00	43.60	39.20	38.50
Lambs, cwt 8/	--	90.20	104.00	--
Sheep, cwt 8/	--	35.00	38.00	--
Milk, All, cwt	15.10	15.80	14.90	15.40
Eggs, Table Market, doz	0.47	0.34	0.25	0.48

1/ Preliminary 2/ Entire month data 3/ Price not published to avoid disclosure of individual firms 4/ Price not set at the US level 5/ "cows" and "steers and heifers" combined. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Animals sold for dairy herd replacement only. Prices published in Jan., Apr., Jul., and Oct. 8/ Preliminary prices discontinued Jan. 1996.

**MINNESOTA INDEX OF PRICES RECEIVED (1977=100)**

Commodities	U.S.* Sep 2005 1/	-----Minnesota-----		
		Sep 2004 2/	Aug 2005 2/	Sep 2005 1/
All Farm Products	116	140	135	132
Crops	111	117	111	101
Meat Animals	118	171	165	160
Dairy Products	116	179	169	175
Poultry & Eggs	134	97	117	141

1/ Preliminary. 2/ Entire month data.

\* U.S. based on 1990-92=100 reference replaces 1977 = 100 beginning Jan. 1995.

**U.S. INDEX SUMMARY (1990-92 = 100)**

Item	Aug 2004	Sep 2004	Aug 2005	Sep 2005
Prices Received	120	116	117	116
Prices Paid (Interest, Taxes, Wage Rates)	135	135	141	142
Parity Ratio 1/	89	86	83	82

1/ Computed by dividing Prices Received index by Prices Paid Index.

\* 1990-92=100 reference replaces 1977=100 beginning January 1995

## MINNESOTA CORN YIELD FORECAST REACHES RECORD HIGH

The October 1 **CORN** yield is forecasted at 160.0 bushels per acre, up 3 bushels from the September 1 forecast. If realized, this forecasted yield will be a new record high yield for Minnesota, up 1 bushel per acre from the previous record high in 2004. Corn production is forecasted at 1.09 billion bushels, down 11.0 million bushels from September 1 and down 33.0 million bushels from last year. Updated planted acreage is 7.3 million acres and harvested acreage for grain is 6.8 million acres, resulting in a slightly lower forecast production from September 1.

**SOYBEAN** production for Minnesota is forecast at 286 million bushels, up 10.9 million bushels from the September 1 forecast and up 53 million bushels from the 2004 production. Based on October 1 conditions, the yield is forecast at 42.0 bushels per acre, up 1 bushel from September 1, and up 9 bushels from the 2004 yield. Updated planted acreage is 6.9 million acres and harvested acreage is 6.8 million acres.

The **SUGARBEET** crop is estimated at 9.1 million tons, up 6 percent from September 1 but down 7 percent from 2004. Harvested acres are 466,000, up 2,000 acres from last month. Yield is estimated at 19.5 tons per acre, up 1.0 ton per acre from September 1, but down 1.4 tons per acre from last year.

This year's **DRY BEAN** production is estimated at 2.1 million hundredweight, up 81 percent from last year. Yield is forecast at 1,600 pounds per acre, up 450 pounds per acre from last year.

**ALL SUNFLOWER** production is forecast at 166.8 million pounds, up 110 million pounds from 2004. Yield is forecast at 1,334 pounds per acre compared to 1,068 pounds per acre in 2004. Updated planted acreage is 135,000 while harvested acreage is 125,000.

## U.S. HIGHLIGHTS

**CORN** production is forecast at 10.9 billion bushels, up 2 percent from last month but 8 percent below 2004. If realized, this would be the second largest crop on record. Based on conditions as of October 1, yields are expected to average 146.1 bushels per acre, up 2.9 bushels from September but 14.3 bushels below last year. Forecast yields are either unchanged or higher than last month in all forecasting States, except Alabama and Mississippi. Yields are better than last year in the northern tier States but are still well below last year's record highs in the central and eastern Corn Belt. Acreage updates were made in several States and farmers now expect to harvest 74.3 million acres of corn for grain, up 15,000 acres from September and up 1 percent from 2004.

**SOYBEAN** production is forecast at 2.97 billion bushels, up 4 percent from the September forecast but 5 percent below 2004. Based on conditions as of October 1, yield is expected to average 41.6 bushels per acre, up 2.0 bushels from September but 0.6 bushels below last year's record high yield. Below-normal temperatures and adequate moisture during August and early September across most of the Corn Belt, Great Plains, and Delta were beneficial to the crop during the final stages of development. Area planted is now estimated at 72.2 million acres, down 903,000 acres from the August estimate. Area for harvest is forecast at 71.3 million acres, down 914,000 acres from September.

## MINNESOTA & U.S. HARVESTED ACRES, YIELD, AND PRODUCTION

COMMODITY	2004 HARVESTED ACRES (000)	2005 HARVESTED ACRES (000)	2004 YIELD	2005 YIELD	2004 PRODUCTION (000)	2005 PRODUCTION (000)
<b>MINNESOTA</b>						
CORN (Bu)	7,050	6,800	159.0	160.0	1,120,950	1,088,000
SOYBEANS (Bu)	7,050	6,800	33.0	42.0	232,650	285,600
SUGARBEETS (Ton)	470	466	20.9	19.5	9,823	9,087
DRY BEANS 1/	100	130	1,150	1,600	1,150	2,080
SUNFLOWERS (Lb)	53	125	1,068	1,334	56,600	166,750
CANOLA (Lb)	32	50	1,500	880	48,000	44,000
ALFALFA HAY (Ton)	1,350	1,400	3.50	3.60	4,725	5,040
OTHER HAY (Ton)	650	700	1.80	2.10	1,170	1,470
<b>UNITED STATES</b>						
CORN (Bu)	73,632	74,333	160.4	146.1	11,807,217	10,857,440
SOYBEANS (Bu)	73,958	71,270	42.2	41.6	3,123,686	2,967,075
SUGARBEETS (Ton)	1,307	1,243	22.9	21.5	29,956	26,746
DRY BEANS 1/	1,219	1,522	1,460	1,715	17,799	26,109
SUNFLOWERS (Lb)	1,711	2,581	1,198	1,500	2,049,863	3,870,910
CANOLA (Lb)	828	1,125	1,618	1,333	1,339,530	1,499,300
ALFALFA HAY (Ton)	21,707	22,118	3.47	3.43	75,383	75,940
OTHER HAY (Ton)	40,209	39,605	2.05	1.94	82,391	76,931

1/ Yield in lb: production in cwt.

## WORLD AGRICULTURAL SUPPLY AND DEMAND ESTIMATES

**WHEAT:** Projected U.S. 2005/06 ending stocks of wheat are down 94 million bushels from last month in part reflecting a 69-million-bushel drop in production (reported in Small Grains Summary). HRS ending stocks are down 59 million bushels and, at 119 million bushels, are the smallest since 1995/96. No changes are made to domestic use or imports. Exports rise 25 million bushels due to larger-than-expected sales to Nigeria and Iraq. Exports of HRW and HRS are higher but are partially offset by lower exports of White wheat. The projected 2005/06 price range is \$3.20 to \$3.60 per bushel, up 20 cents on each end from last month, compared with \$3.40 for 2004/05.

**COARSE GRAINS:** This month's outlook for 2005/06 U.S. corn is for increased production, higher domestic consumption, larger stocks, and lower prices. Forecast 2005 corn production is up 218 million bushels from last month to 10.857 billion bushels (the second largest crop on record). Beginning stocks of 2005/06 corn drop 13 million bushels, based on the September Grain Stocks report. Projected 2005/06 feed and residual rises 50 million bushels and food, seed, and industrial use is up 15 million bushels. Exports are unchanged. Corn ending stocks are up 141 million bushels from last month and are 108 million higher than the previous year. The projected 2005/06 price range for corn is \$1.65 to \$2.05 per bushel, down 5 cents on each end from last month, compared with \$2.06 for 2004/05.

**OILSEEDS:** U.S. oilseed ending stocks for 2005/06 are projected at 8.7 million tons, up 1.6 million tons from last month and up 0.4 million tons from revised 2004/05 ending stocks. Total U.S. oilseed production is projected at 92.8 million tons, up 3.4 million tons from last month. Soybean production is forecast at 2,967 million bushels, up 111 million bushels as higher yields more than offset this month's acreage reductions. Planted and harvested are both lowered 0.9 million acres based on administrative data. Soybean crush is raised 10 million bushels this month due to increased supplies and lower soybean prices. Soybean ending stocks are projected at 260 million bushels, up 55 million from last month. Other oilseed production is forecast higher this month with increases for sunflower seed, canola, and cottonseed more than offsetting reduced peanut production.

U.S. season-average soybean prices for 2005/06 are projected at \$5.00 to \$5.80, compared with \$5.15 to \$6.05 last month. Soybean meal prices are also projected lower at \$155 to \$185 per short ton, down \$10 on both ends of the range. Soybean oil prices are projected at 22 to 25 cents per pound, up 0.5 cent on both ends of the range. Higher soybean oil prices reflect market expectations for increased biodiesel production.

**SUGAR:** Projected U.S. sugar supply for 2005/06 is increased 125,000 short tons, raw value, from last month, mainly due to higher imports. Cane sugar production is dropped 90,000 tons, as lower Louisiana output more than offsets an increase for Florida. Production projections are based on processors' reports compiled by the Farm Service Agency, with the exception of Louisiana, which is reduced to reflect forecast sugarcane production in the October Crop Production report. Imports are increased 228,000 tons due to imports from Mexico under the North American Free Trade Agreement while high-tier sugar imports are reduced. Use is increased 50,000 tons in line with the increase in estimated use for 2004/05. Ending stocks are increased to 1.1 million, or 10.5 percent of use.

For 2004/05, supply is increased 52,000 tons, as lower production is more than offset by higher imports under the re-export programs. Total use is increased 65,000 tons, mainly due to continued robust domestic demand for sugar.

**LIVESTOCK, POULTRY, AND DAIRY:** NOTE: Due to uncertainties as to the length of the bans on trade in ruminants and ruminant products because of the discovery of BSE in the United States and Canada, forecasts for 2005 and 2006 assume a continuation of policies currently in place among U.S. trading partners. Subsequent forecasts will reflect any announced changes.

U.S. beef and pork production forecasts for second-half 2005 are reduced from last month, reflecting lower-than-expected third-quarter slaughter and expectations of lower cattle and hog slaughter in the fourth quarter. Cattle marketings from feedlots have been slower-than-expected and fourth-quarter slaughter forecasts are reduced because cattle are likely to remain on feed longer to achieve Choice or better grades. Third-quarter hog slaughter was lower than expected and the forecast for the fourth quarter is reduced slightly. Broiler production forecasts are reduced from last month as broiler hatchery and laying flock data indicated a slower-than-expected rate of production growth. The turkey production forecast is increased slightly and the egg production forecast is unchanged.

U.S. beef and pork production forecasts for 2006 are unchanged from last month. The September 30 Quarterly Hogs and Pigs report indicated that the sector continues to expand relatively slowly. Although growth in pigs per litter is expected to result in increased pig crops into 2006, forecasts of live hog imports from Canada are reduced slightly. Thus, hog slaughter and pork production forecasts are unchanged from last month. The slower pace of growth in broiler production forecast for late 2005 is carried forward into 2006.

Small changes are made to pork export forecasts as prospects remain favorable for growth. Other red meat trade forecasts are unchanged.

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Prices for livestock in third-quarter 2005 remained relatively strong and cattle and hog price forecasts for the fourth quarter are raised. Although 2006 cattle prices are expected to decline from their 2005 levels, forecast prices for the first half of 2006 are raised. Broiler prices in 2005 are reduced slightly. Turkey price forecasts in 2006 are raised.

Milk production in 2005 and 2006 is forecast higher than last month. Output per cow is raised for 2005 and 2006, and the milk cow herd is forecast to grow slightly more rapidly in 2006. As a result, the milk production forecast is increased 400 million pounds for 2005 and 1 billion pounds in 2006. Fat-basis commercial demand remains relatively strong and is expected to absorb increased supplies of milk, providing support for increased forecasts of both butter and cheese prices in 2005 and forecast cheese prices in 2006. Commercial use of skim solids is also increased, reflecting firm domestic demand and continued strength in exports. The nonfat dry milk (NDM) price forecast is raised for both 2005 and 2006. The whey price forecast is also raised on strength in exports and strong NDM prices. Higher product price forecasts raise Class price forecasts for both 2005 and 2006. The all milk price for 2005 is forecast higher at \$15.20 to \$15.30 per cwt., and the 2006 forecast is raised to \$13.35 to \$14.25 per cwt.

SOURCE: USDA-WAOB-WASDE-427, October 12, 2005

## SEPTEMBER MILK OUTPUT UP 2 PERCENT IN MINNESOTA

Totaling 646 million pounds, the state's September milk production was up 2 percent from September 2004.

Output per cow was 1,435 pounds in September, up 70 pounds from last September. Milk cows for September averaged 450,000 head, down 5,000 from August, and 15,000 below a year ago.

September 2005 milk output in the 23 major states was 13.0 billion pounds, up 5 percent from September 2004. Milk cows in the 23 states averaged 8.16 million head, up 54,000 from the previous year. At 1,597 pounds, production per cow was 64 pounds greater than September 2004.

### AUGUST/SEPTEMBER 2005 MILK STATS

State	Milk Production		Percent of Previous Year	
	Aug	Sep	Aug	Sep
	<i>Million Lbs.</i>		<i>Percent</i>	
California	3,156	3,080	103	103
Idaho	908	874	114	114
<b>Minnesota</b>	<b>685</b>	<b>646</b>	<b>102</b>	<b>102</b>
New York	1,035	983	106	106
Pennsylvania	885	842	107	106
Wisconsin	1,971	1,880	105	105
23 States	13,595	13,032	105	105

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Douglas A. Hartwig  
Director

Dan Lofthus  
Deputy Director